

of granting a reasonable tax credit; that is, we support as a rule the grant of a credit for charitable donations, because it is fairer for all taxpayers. I feel that it will be more difficult to justify the proposal offering a choice to taxpayers, either an income tax credit or the actual income deduction for charitable donations.

The income deduction would be a better choice for taxpayers in higher brackets; for example, if the tax credit were 50 per cent, the income deductions would be better for those having a marginal rate of taxation above 50 per cent. Such a choice, however, would maintain the discrimination for taxpayers with different incomes. It would also complicate income tax deductions since taxpayers would have to determine their charitable donations taking into account the two choices to see which one would be more beneficial.

[English]

The hon. member for Nepean-Carleton (Mr. Baker) pointed out the problem when there is both the option of the deduction and the credit. His points were well taken. I do not think that we could support that type of inequitable and complicated tax treatment, even though we want to encourage charities and volunteer work in our society. The hon. member for Nepean-Carleton also managed as he stated, in a non-partisan way, to attack this government for a number of its spending programs to which he took exception.

This government has put forward one major spending program in this session. It was less than the amount asked for in the bill. I refer to the GIS supplement. I am very proud of that bill because it was directed to those who are most in need at this time. It also indicates that this government was being responsible in the way in which it funded this bill and the expenses which would be incurred, and that is through a tax increase. This is a responsible government, and I would hope that the hon. member opposite will agree with me.

One of the criticisms of this motion by the hon. member for Winnipeg North Centre (Mr. Knowles) is what to do with the \$100 medical expenses which we have at the present time. This deduction covers both charitable donations and allowable medical expenses. For all practical purposes it is applicable only to charitable donations, since relatively few taxpayers have deductible medical expenses because most of us do not have medical expenses of over 3 per cent of our income. The standard \$100 deduction for medical expenses amounts to an exemption from taxation for everyone. This deduction costs the federal and provincial treasuries about \$250 million per year, and that figure is not related to specific expenses. That is a lot of money. There must be a better way to deal with that \$100 standard medical deduction.

Without that added cost, the government could introduce a tax credit for charitable donations with a fairly reasonable rate of credit. If we were to insist on this additional standard \$100 deduction and still keep the level of fiscal support for charities at its present level, the rate of tax credit would have to be a great deal less.

Time Allocation for Bill C-30

Finally, I would like to raise briefly the broader question of how we might examine other ways to introduce fiscal incentives. They do not necessarily need to be fiscal incentives. They could be public sector incentives for efforts in the private sector in the field of charities and volunteer work. One such example was mentioned by the learned parliamentary secretary. An alternative approach which has the elements of equity, impersonality, an ease of administration is a system of percentage-matching grants. For example, for every \$100 of deductions received by a registered charity, the government could provide a grant of \$25. In this situation the government would deal directly with the charities. The donor would not be required to report his gifts on his tax return, and he would not receive the tax benefit.

In this situation, donations would be made with the knowledge that they were attracting public support to a level that might be decided upon by this House. This approach would not cost more than the existing tax incentive, and there is the real possibility that it would, to a great extent, meet the objectives of the national voluntary organizations. It is simply another approach to this difficult problem which we might consider which, I believe, has met with the agreement of both parties opposite, in terms of the principle which we are trying to promote.

Certainly we on this side of the House would support such an approach in the sense that what we would want to do is find a way to encourage more volunteerism in our society which can be found in many communities to be at a very high level. It is the type of approach—

The Acting Speaker (Mr. Ethier): Order, please. The hour provided for the consideration of private members' business having expired, I do now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

ROUTINE PROCEEDINGS

[English]

BUSINESS OF THE HOUSE

TIME ALLOCATION FOR SECOND READING OF BILL C-30

The House resumed consideration of the motion of Mr. Pinard that in relation to Bill C-30, an act to provide for supplementary borrowing authority for the fiscal year 1980-81, one sitting day shall be allotted to the further consideration of second reading stage of the bill; and that at 15 minutes before the expiry of the time provided for government business on that day, any proceedings before the House shall be interrupted, if required, for the purpose of this order and, in turn,